

AMENDMENTS

In the Claims

Please cancel claim 3, and substitute the following amended claims for the pending claims having the same number:

Sub. B1> 1. A method of conducting a ^{single game} lottery comprising the steps of:

(1) determining a jackpot prize for a lottery game in which ticket purchasers select at least one number combination for each lottery ticket purchased;

AC (2) offering ^{electing} non-insured tickets for the lottery game to ticket purchasers at a first price, and insured tickets for the lottery game to ticket purchasers at a second price higher than the first price;

(3) paying a first amount to each holder of a non-insured winning lottery ticket, said first amount less than said jackpot; and

(4) paying a second amount to each holder of an insured winning lottery ticket, said second amount equal to or greater than said jackpot.

4. The method of claim 1 further including the steps of:

(1) offering a tax insured lottery ticket for sale at a third price, wherein said third price is higher than said second price; and

42 (2) paying a third amount at said payout time to all holders of a tax insured winning lottery ticket, said third amount substantially equal to said jackpot plus at least a portion of the taxes payable on said jackpot.

13. A method of conducting a lottery comprising the steps of:

(1) distributing lottery tickets to lottery participants for a lottery game, said tickets including insured tickets and non-insured tickets;

(2) determining whether a particular ticket is a paying ticket for the lottery game;

A3 (3) immediately paying at least a full award amount if the paying ticket is insured, regardless of the award amount; and

(4) immediately paying less than a full portion of the award if the paying ticket is non-insured and the award amount is greater than a predetermined amount.

16. (Amended) A method of conducting a lottery comprising the steps of:

A4 (1) selling insured and non-insured lottery tickets for a lottery game in which ticket purchasers select at least one number combination for each lottery ticket purchased and for which a prize cutoff point is established, said cutoff point comprising a prize value amount separating a large payout amount from a small payout amount, wherein said large payout amount is an amount ordinarily available in full only by way of payments paid during a payment period lasting longer than one year, and wherein said small payout amount is an amount ordinarily available in full in a single lump sum payment; and

(2) immediately paying in full to a holder of an insured paying lottery ticket any prize said insured paying lottery ticket is entitled to, without regard for the amount of said prize.